



**CITIZENS' BOND REVIEW COMMISSION  
APPALOOSA LIBRARY  
7377 E. SILVERSTONE DRIVE  
SCOTTSDALE, AZ 85255  
THURSDAY, NOVEMBER 5, 2009**

**MINUTES**

**PRESENT:** Judy Frost, Chair  
Laurel Walsh, Vice-Chair  
Paul Hughes  
Charles Kaufman  
Don Raiff  
Neil Sundeen

**ABSENT:** Joseph Nychay

**STAFF:** Tim Barnard, Parks & Recreation Manager  
Joanie Cady, Planner  
Sylvia Dlott, CIP Coordinator  
Derek Earle, City Engineer  
Lee Guillory  
Dave Meinhart, Transportation Planning Director  
Dan Worth, Municipal Services General Manager

**CALL TO ORDER**

Chairperson Frost called the meeting to order at 5:00 p.m., noting the presence of a quorum.

**ROLL CALL**

A formal roll call confirmed the presence of Commissioners as noted above. Chair Frost noted that Commissioner Nychay's absence is excused, because he is unavoidably out of state today.. She added that she met with him and Commissioner Sundeen in Financial Services for a brief orientation about the bond program.

## **APPROVAL OF THE MINUTES—August 6, 2009 Meeting Minutes**

Vice-Chair Walsh noted that the word “staff” should take the singular form of verbs. This applies to page 5 of the minutes.

**VICE-CHAIR WALSH MOVED TO APPROVE THE REGULAR MEETING MINUTES OF THE AUGUST 6, 2009 MEETING AS CORRECTED. COMMISSIONER HUGHES SECONDED THE MOTION, WHICH CARRIED WITH A UNANIMOUS VOTE OF SIX (6) TO ZERO (0). COMMISSIONER NYCHAY WAS ABSENT.**

## **NEW BUSINESS**

### **1. GENERAL PLAN WORKING GROUP APPOINTMENT--Joanie Cady, Planner (Action Item)**

**Informational presentation, discussion and consideration by the Citizens Bond Review Commission; and action to appoint one member of the Commission to serve on the General Plan Update Working Group.**

Planner Joanie Cady provided a brief overview of the General Plan update process. She distributed information about the various elements, including the new elements of energy and neighborhood preservation. The update will eliminate overlap and be more specific and user-friendly. A section on implementation will be added for the first time. She directed the Commissioners' attention to materials available on the website.

Public outreach is ongoing currently with surveys and public meetings. The General Plan Working Group will be comprised of representatives from the City's 19 boards and commissions. She outlined the commitment and responsibilities required of the representatives.

Chair Frost confirmed with Ms. Dlott that all Commissioners' terms extend past the end of the projected lifespan of the General Plan Working Group. She noted that the commitment extends into next summer so the representative needs to be available then. All the Commissioners in attendance noted plans for next summer. Chair Frost said she would be the representative. Commissioner Raiff suggested it might be possible to appoint a substitute representative as an alternate. Ms. Cady replied that staff thought of that, but is hoping to have one volunteer from each board or commission. Vice-Chair Walsh asked if staff wants a substitute in the event that the representative is unable to attend a meeting. Ms. Cady undertook to ask the project manager. Vice-Chair Walsh said she would love to participate, but is out of town all summer. She would be happy to act as a substitute in the meantime.

Commissioner Raiff wanted to know if any of the meetings could be telephonic. Ms. Cady said they will all be held in the Design Studio. Commissioner Hughes noted he could attend virtual meetings. He travels extensively for work. Commissioner Sundeen expressed his willingness to be a substitute if Chair Frost is unable to attend a meeting.

In response to Chair Frost's inquiry, Ms. Cady said that the Parks and Recreation Commission Chair Robert Frost will represent that Commission on the General Plan Working Group.

**COMMISSIONER SUNDEEN MOVED TO APPROVE THE NOMINATION OF CHAIR FROST AS THE CITIZENS' BOND REVIEW COMMISSION'S REPRESENTATIVE TO SERVE ON THE GENERAL PLAN UPDATE WORKING GROUP. VICE-CHAIR WALSH SECONDED THE MOTION, WHICH CARRIED WITH A UNANIMOUS VOTE OF SIX (6) TO ZERO (0). COMMISSIONER NYCHAY WAS ABSENT.**

Commissioner Hughes inquired why two different elements are labeled conservation. Ms. Cady explained that one refers to water conservation under state statute, while conservation rehabilitation and redevelopment relates to buildings.

**2. STATUS OF BOND 2000 PROJECTS--Derek Earle, City Engineer and Dave Meinhart, Transportation Planning Director (Action Item)**

**Provide the Commission with a brief status update of active Bond 2000 projects.**

City Engineer Mr. Derek Earle told the Commission there have been some notable successes in the last quarter, including the Appaloosa Library where tonight's meeting was taking place. Grayhawk Community Park had its grand opening a few weeks ago. The Police District One facility and Operational Support complex also had its grand opening in the last quarter.

Scottsdale Road from Frank Lloyd Wright Boulevard to Pinnacle Peak was completed very recently. Mr. Earle noted that the section north of the freeway is not yet at its ultimate width because the City has to wait for the State Land Department and the City of Phoenix. Several other road projects are very close to completion.

Saying that she drives all the time on Pima Road, Vice-Chair Walsh commented that the sound walls are of very different heights. Transportation Planning Director Mr. Dave Meinhart replied that various factors such as noise projections from modeling and the typography of the land come into play. Some neighborhoods did not want high walls. Vice-Chair Walsh said she lives in the neighborhood although not close to Pima Road. Her impression is that most people would like the walls to be higher. Mr. Meinhart said the City will not build a wall higher than is justified by the noise modeling, because of the expense.

Commissioner Kaufman commented that the individual project sheets no longer show the funding information. Mr. Earle explained that this information still appears on the financial report. This change was made because of the database software used. Commissioner Kaufman said the only reason he mentioned this was because the Commission has discovered there are differences in the numbers on the individual project sheets and the reports from Financial Services.

Mr. Earle said that staff is not trying to hide any numbers; this was basically a software issue. He apologized for any inconvenience. In a nutshell, the data on the individual project sheets was being pulled from two different sources and sometimes did not reconcile completely. He pointed out that Financial Services is the City's official source for financial reports.

Commissioner Kaufman noted that a few items are a little over budget. He was surprised because he was under the impression that systems were in place to prevent this from happening. He wondered whether this related to the information omitted from the individual project sheets. Municipal Services General Manager Mr. Dan Worth said that the projects that went over budget will be reconciled before the project is completed. Either transfers will be done or in some cases when the contract is closed out the expenditures actually go down because some contractual obligations appear as expenditures.

He added that in the last year the department has started charging some salary and administrative expenses against capital improvement projects. The net result has been a reduction in operating costs. The estimates for these projects were done before this change was introduced. Staff had anticipated this and some transfers will need to be done before the end of the year.

Commissioner Sundeen inquired whether there will be a traffic light on Indian Bend Road between Hayden and Scottsdale Road. Mr. Meinhart replied that a signal is currently planned at Silverado. At one point there was thought of placing a traffic light closer to the entrance to the Railroad Park, but the access to the proposed development north of the Seville is now planned to be for emergency access only. An underground conduit has been installed so if a signal is warranted in the future it can easily be located there.

Referring to Mr. Worth's comments, Commissioner Raiff expressed surprise that professional resources had not previously been assigned to each project. Mr. Worth told the Commission that they have always allocated salaries for project management staff including the project manager, the inspectors, and the construction coordinators. Before last year the City had not been charging some of the staff in the customer departments to the individual projects. This includes staff engineers in the Transportation Department, planners, and some administrative staff. Most but not all of these expenses have been moved from operating accounts to capital accounts. This recognizes that the work they do is essential to the execution of the projects.

Commissioner Raiff said this would not be a large sum for a project that is nearing completion. Mr. Worth confirmed that they are not intending to reallocate these expenses for the entire life of each project. They started doing this at a point in time in the last fiscal year. He told the Commissioners that the numbers are small, just one or two percent of the total project cost. However the intent is to close out each project very close to the budgeted amount. Commissioner Raiff suggested that the projects most affected would be those that started in the last year of so and will continue into the future. Mr. Worth explained that they allocate staff expenses in proportion to the direct expenses of each project. The projects nearing completion are in fact those most affected. After this year it should no longer be an issue because staff will adjust the budget amount for

each project. In response to a follow-up question from Chair Frost, he said that all projects will be treated in this way; it is not confined to bond projects.

**3. STAFF STATUS UPDATE ON BOND 2010--Chairperson Frost (Action Item)**

**Provide the Commission with a brief status update on the City's work towards Bond 2010.**

CIP coordinator Ms. Sylvia Dlott gave the Commission a brief update on Bond 2010. At a joint meeting of City Council and the Budget Review Commission on September 29, Council directed the Commission to review bond proposals for timeliness and voter approval. The Budget Review Commission met on October 22 for a preliminary discussion of a possible bond. She distributed the Bond 2010 Project Evaluation Criteria that the Budget Review Commission has adopted.

Staff has drafted approximately 124 proposed Bond 2010 projects and plans to present these projects with recommendations based on the criteria on December 3. Staff will also provide scenarios as far as the sizing of the issuance. The goal is that in late January or February, the Budget Review Commission will provide City Council with a list of recommended projects. Council will determine how the process will continue. The Financial Services General Manager has said they would like suggestions and feedback from the Citizens' Bond Review Commission on how reach out to the electorate. They could share this with staff or contact the Budget Review Commissioners or City Council directly.

In answer to a question from Chair Frost, Ms. Dlott said her understanding is that the public outreach process would be starting in the spring to get public input and support.

Chair Frost wanted to know if the firm decision has been taken that there will be a bond election. Ms. Dlott confirmed that Council is in support of a bond election. Mr. Worth clarified that there has not been a formal adoption of a resolution to go forward with a vote, but part of the purpose of the joint meeting of City Council and the Budget Review Commission was to get clear direction from Council. Mr. Meinhart said all the Councilmembers expressed a wish to give voters an opportunity to vote on these projects.

Vice-Chair Walsh inquired whether certain projects were mentioned. Mr. Worth said they did not discuss specific projects in detail at either of the meetings. It is obvious that not all of the projects on the lengthy list will be on the Bond 2010 ballot.

Chair Frost asked whether Bond 2010 is intended to be a five-year plan. Mr. Worth confirmed that it is. This is actually included in the criteria for the Budget Review Commission.

Ms. Dlott told Chair Frost that staff will present all of the projects on the list at the December 3 Budget Review Commission meeting, with its recommendations as

to priority. The Commissioners will review and assess the projects and forward their recommendations to City Council.

Mr. Meinhart added that in areas such as transportation and parks, the appropriate commissions are being involved in reviewing the draft list of ideas.

Commissioner Kaufman asked whether the projects on the list are over and above the basic capital improvements that are part of the normal budget. Mr. Worth told him that the basic capital improvements are now extremely limited. Over the past few years the City has been fortunate to be able to fund up to \$20 million from the General Fund for capital improvements. This year that amount will only be \$1.5 million. Chair Frost pointed out that Appaloosa Library alone cost over \$10 million. Mr. Worth said some transportation projects are funded through regional sales tax, and water and waste water projects receive monies from the Enterprise Fund. Developer and user fees are available for solid waste projects. Projects like these would not normally be bond funded because those other sources are available. In the past the City has been able to build one fire station and fund two others with the pay as you go General Fund contribution to the CIP. Camelback Park is another project that was funded in this way. Now the only way to fund these projects is through bond financing.

Mr. Earle commented that General Fund funding supplemented shortfalls in the Bond 2000 projects. Mr. Meinhart said only about \$8 million is generated annually from sales tax for transportation projects. The regional sales tax funds for transportation all require a minimum 30 percent local match. The City cannot afford the matching funds without bond funding. Staff has identified about \$70 million in priority transportation improvements. Over \$100 million is available in regional and federal money towards the projects but without a new funding source it will not be possible to access that funding.

Chair Frost noted that one of the criteria is to fund Bond 2000 projects that have not been done. Mr. Meinhart confirmed that improvements to Pinnacle Peak Road are on the list, although staff have not identified that as a must-have, since the intersections have been taken care of. The remainder of this project is estimated at \$25 million at least because of the drainage issues. The traffic volume on the road does not justify giving this a high priority. Once intersections are improved usually capacity on through lanes is no longer a big issue. At the time of Bond 2000 more growth was forecast in north Scottsdale than has taken place. He noted that almost all of the roadway improvements are north of the CAP.

Parks & Recreation Manager Mr. Tim Barnard interjected that staff also considered the cost of operating some of the projects. The majority of Bond 2000 projects that have not been done are those which will require staffing once completed. They have therefore been assigned lower priority on the current project list for Bond 2010. Chair Frost asked about DC Ranch Park. Mr. Barnard said unless there is more political support and a way to fund the operating costs, this will not be assigned a higher priority. Staff placed higher priority on infrastructure improvements.

Vice-Chair Walsh recalled the discussions that occurred when Bond 2000 was being established. They sought balance in locating projects across the entire city, but also took into consideration the assessed property values, which determine who actually pays for the improvements. In the final analysis it was shown that south Scottsdale projects were subsidized by property taxes in the northern part of the city. She suggested staff keep that in mind when preparing for the Bond 2010 election. Mr. Meinhart agreed that is a very good point. He noted that property assessments have risen in the southern part of the city in the past five years. He appreciates the fact that this is a five-year plan. A project that is not approved in this election may still be done on the next five-year plan. He noted that in the next five years Scottsdale will not see the kind of growth that took place since 2000. This means there will not be the same natural increase in property value.

Commissioner Raiff asked about the timetable of information between now and the November 2010 election. He wanted to know whether the list of projects prioritized by staff will include an explanation of why each project received its priority rating. He believes that providing detail to the public early will help to inform the electorate. Otherwise the danger is that people will vote emotionally based on what they think will happen to their neighborhood.

Mr. Worth said that Financial Services General Manager Scott McCarty is drafting the list. He believes that Mr. McCarty's intent is to provide the entire staff list and staff's assessment of how each project measures up against the criteria. This will be available to the public.

Vice-Chair Walsh recalled that the first bond issue was more generic. People bought into the bonds when they voted. The Bond 2000 issue was project specific. This has led to people feeling that they were misled. The debate about improvements on Pinnacle Peak Road is one example. The City did not deliver what was promised. The other credibility issue was that the project cost for Pinnacle Peak and Indian Bend was double the original estimate. The projects were then combined. Having formerly lived in the Indian Bend area, she is aware that the project was funded three times over and the money was moved around.

Mr. Worth said in order to avoid this kind of situation, the most important thing is to keep the projects at a scale that can be executed within five years. Problems arose when projects were not completed in the time anticipated. When the City was in a position to do them, the budget was obsolete because so much time had passed. In the case of Bond 2000 this was compounded by several years of rapid increases in construction costs. The biggest thing they can do to ensure they deliver is not to over promise. Vice-Chair Walsh agreed that is critical. Mr. Worth added that part of the public outreach effort must address that. However the public must understand they are voting for a bond issue, not for specific projects. This Commission exists to help staff sort through any necessary changes that emerge during the life of the bond issue.

Vice-Chair Walsh recalled that during the first bond the economy was very challenging. Chair Frost said as long as there is something for everyone in the Bond 2010 election it will probably be successful.

Commissioner Raiff commented that the overview of what was promised and what was delivered is pretty good. The specific details of some projects that were changed or postponed are problems for the people directly affected. Those people need direct communication because they will remember their particular project. Chair Frost agreed that the overwhelming majority of projects on the list were completed. Aside from the helicopter, Mr. Worth said they have accomplished about 95 percent of the projects.

Mr. Worth said some citizens remembered the Indian Bend Road improvements from 1989. Mr. Meinhart pointed out that no one anticipated it would cost \$25 million. He added that although residents want road improvements, there are many limitations on how to handle the attendant disruption. This means that work takes longer and is more expensive. Focusing on a plan that can be completed within five years is a better long-term strategy for building credibility.

Chair Frost pointed out that Bond 2000 was programmed as a five-year plan. She remarked that this is an exciting time. The Commission is behind this initiative and will do anything possible to make sure that it is successful. If the Budget Review Commission needs help, they will be happy to provide it.

Commissioner Raiff said the Commission has the perspective that it is important to remember the past in order to gain public support to pass the election. Somebody should take the time to look back to make sure that the story is developed about how the City got to where it is. It is important to invest time and effort to educate the public. Chair Frost said perhaps Ms. Dlott can relay that message to Mr. McCarty. She noted that CAPA has media contacts that could be very useful. At the appropriate times, individual Commissioners can write letters to the editor about the successes of Bond 2000. There is a lot of work to be done in the next year.

Mr. Worth said he really likes the idea of educating the public. Vice-Chair Walsh said to her, that is critical.

#### **4. FEBRUARY QUARTERLY MEETING (Action Item)**

##### **Discussion of issues/items to be placed on the agenda for the February quarterly meeting.**

Vice-Chair Walsh pointed out that there is \$4 million in interest and suggested it might be applied to a project. Chair Frost cautioned that part of these funds might be needed for budget shortfalls.

Mr. Barnard said that it might be used to remodel the City Center and Mustang libraries. A design firm is currently working on plans. Staff plans to present this proposal at the February meeting. He advised Vice-Chair Walsh that this project is already in the current CIP, but staff realizes that funding may be short. Savings were realized in the Arabian and Appaloosa Library projects will be available in the Bond 2000 funding.



Chair Frost suggested holding the meeting at the new police building, preceded by a tour. She undertook to provide an update on the General Plan at that time.

**CHAIRMAN'S COMMENTS**

None.

**ADJOURNMENT**

With no further business to discuss, and no need for an executive session, the meeting adjourned at 6:06 p.m.

Respectfully submitted,  
A/V Tronics, Inc. DBA AVTranz